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Forest Certification Audit Preparation Report

Michigan Department of Natural Resources

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Introduction

The Michigan Department of Natural Resources (MDNR) has committed to obtaining third party certification against either the Sustainable Forest Initiative (2005) (SFI) or Forest Stewardship Council (Regional Forest Stewardship Standard for the Lake States-Central Hardwoods region August 5, 2002) (FSC) by January 1, 2006. This report outlines efforts taken to secure this certification.

MDNR created a Forest Certification Implementation Team (FCIT) and charged the team with preparing and implementing actions required to secure certification.

Scoping Audit

MDNR commissioned NSF to complete a scoping audit of department operations on state forest lands in order to provide an initial assessment of the feasibility of obtaining certification against the SFI and FSC standards. NSF conducted the scoping audit against the SFI standard and engaged SCS to conduct the scoping audits against the FSC standard.

The field audits were conducted October 26th to October 29th, 2005. The final reports from the scoping audits were submitted December 16, 2005.

The reports identified 10 areas where MDNR programs failed to meet the requirements of one or both of the standards. The areas were categorized as “fatal flaws” or major non-conformances.

The major non-conformances were found in the following areas:

- State Forest Planning
- Biodiversity
- Monitoring
- Best Management Practises
- Chemical Use
- Timber sale Contracts
- Forest Regeneration
- Training
- Tribal Issues
- SFI Involvement

Reaction to the Scoping Report

Action Plan

MDNR completed an action plan (February, 18, 2005) to address the major non-conformances. The action plan included the assignment of lead responsibility, resources and expected timelines for each of the major non-conformances.

SFI and FSC Indicator Review

As a matter of due diligence in confirming MDNR's readiness to meet the detailed requirements of each standard, the FCIT conducted a comprehensive review of all of the individual indicators within the SFI and FSC standards. This involved some 65 MDNR staff that were asked to professionally interpret the requirements of one or more indicators and then to collate departmental programs, policies or other direction that provided evidence of conformance of MDNR to the indicator. This review resulted in the collection of unedited evidence for each of the indicators.

Work Instruction Development

It was determined that managing the operational requirements for each of the 262 individual indicators within the SFI and FSC standards was an unreasonably complex task. The FCIT conducted a detailed review of the indicators of both standards, and grouped them into nine working groups, or work area groups (WAGs). Each WAG represented a common work area, to which individual indicators were linked. Work instructions (WI) were developed within each WAG. Work instructions are intended to provide operational advice to MDNR staff. Adherence to direction provided in the WI ensures MDNR operations meet the specific intent of each of the indicators in both standards.

In its current form, a total of eight WAGs have been approved and are being implemented. A total of twenty one WI provide detailed directions to staff. The list of WAGs and WI are as follows:

Work Area Group 1 - Plan, Monitor, and Review

- 1.1 Strategic Framework for Sustainable Management of State Forest Land
- 1.2 Management Review Process for Continual Improvement in the Management of Forest Resources
- 1.3 Ecoregional Plan Development
- 1.4 Biodiversity Management on State Forest Lands
- 1.5 Social Impact Considerations and Public Involvement Processes
- 1.6 Forest Management Unit Analyses
- 1.7 State Forest Timber Harvest Trends

Work Area Group 2 - Forest Regeneration and Chemical Use

- 2.1 Reforestation
- 2.2 Use of Pesticides and Other Chemicals on State Forest Lands
- 2.3 Integrated Pest Management and Forest Health

Work Area Group 3 - Best Management Practices

- 3.1 Forest Operations
- 3.2 Best Management Practices Non-Conformance Reporting Instructions
- 3.3 Best Management Practices – Road Closures

Work Area Group 4 – Deleted

Work Area Group 5 - Research

- 5.1 Coordinated Natural Resource Management Research

Work Area Group 6 - Education and Recreation

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- 6.1 Implementing Public Information and Educational Opportunities on State Forests
- 6.2 Integrating Public Recreational Opportunities with Management on State Forest Lands
- 6.3 SFI Involvement and the Michigan State Implementation Committee

Work Area Group 7 - Integrated Implementation and Contracting

- 7.1 Timber Sale Preparation and Administration Procedures
- 7.2 Legal Compliance and Administration of Contracts

Work Area Group 8 - Training

- 8.1 MDNR Staff Training for State Forest Management

Work Area Group 9 - Tribal Issues

- 9.1 Collaboration with Tribes in regard to management of State Forest Land

Training

As the WI were being completed, MDNR staff training on forest certification, auditee requirements and internal auditor performance was initiated. Fifteen courses were completed, including six sessions of overview training, 8 sessions of auditee training, one course for internal auditor training. Consultants provided all of these courses. Ongoing courses to provide training on WI have been internally delivered to 8 management units to date.

At the end of the certification training events, virtually all MDNR staff had been provided with the opportunity to attend courses that would confirm their roles and responsibility with respect to forest certification. Some staff were unable to attend. Progress reports on the certification effort has been distributed to all staff via “groupwise”, which has allowed all to remain informed, and aware of certification resources.

Auditee training will be delivered to all staff in advance of future internal audits. Overview training and internal auditor training will be delivered on an as needed basis.

Internal Audits

Approach

Internal audits were conducted for each of the eight management units that are scheduled to be audited as part of the certification audits. The internal audit effort evaluated approximately one half of MDNR’s field operations. These units included:

- Sault Ste. Marie
- Gwinn
- Pigeon River
- Atlanta
- Cadillac
- Gaylord
- Gladwin
- Baraga

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Audit teams consisted of one lead auditor assisted by two or three internal auditors. All audit teams were also assisted by certification consultants, who provided advice to both auditors and auditees throughout the course of the internal audits.

No two-audit teams were the same. This provided a variety of perspectives on program performance, which proved to be beneficial as the audits progressed. Auditee and auditor performance improved consistently within each of the four days audits. Internal audit protocols improved consistently throughout the nine-week internal audit period.

The scope of the internal audits was limited to understanding and implementation of the June 19/05 version of the WI. Consultants and internal auditors made notes on improvements required for the work instructions, either to improve understanding of the WI by staff, or to improve the strength of the WI in meeting requirements of individual SFI or FSC indicators.

Improvements

Tactical improvements in the audit system include standardization of non-conformance and corrective action forms and a common template for audit reports. Staff gained experience as auditors, and several staff members developed skills that will be required to conduct the internal audit program into the future.

Audited staff demonstrated improved understanding of the expectation of the certification program, the benefits of the non-conformance/corrective action improvement process as well as the practical application and expectation of WI.

Analysis

The results of the internal audits were analyzed by the FCIT on August 3 and 4, 2005. Non-conformances were evaluated from each of the seven completed internal audits by evaluating findings against each work instruction. Findings that were common across more than three audited units, or that were felt by the FCIT evaluators to be systemic in nature, were collated and categorized as state-wide non-conformances.

The FCIT then conducted a root cause analysis and identified corrective actions for each of the state-wide non-conformances. This collection of NCR/CAR's have been presented to all of the unit managers. This step is intended to ensure than a common understanding of the findings, analysis and correction exists among all field mangers in MDNR.

A summarized list of the state-wide non-conformance reports is appended.

Non-conformances that were found to be unique to the management unit being audited are dealt with at the individual management unit level. The internal auditor, unit manager

and Field Coordinators work collectively to conduct root cause analysis and confirm corrective actions.

Not all corrective actions could be completed immediately. In the case where correction required time for implementation, a firm deadline for completion has been identified. Performance on these longer term commitments will be specifically monitored as part of future internal audits. These are currently expected to be conducted within two years for all management units.

Results from the internal audits were used to make immediate improvements to the WI. These improved WI were distributed to staff on August 19, 2005, for immediate implementation.

Indicator Verification Against Works Instructions

As a summarizing check, consultants independently confirmed the link between each of the FSC and SFI indicators and the WI. Tables outlining these links are attached. The consultants found instances where the WI that are linked to indicators need to be more fully implemented to demonstrate complete conformance to the SFI or FSC standards. They found no instances where applicable indicators in the standards did not link to a WI in a reasonably direct manner.

Final Audit Preparations

NSF conducted a readiness review and prepared a detailed audit plan. This has been reviewed by the FCIT and will be used as a guide for final audit preparations.

Final audit preparations will include an assessment of the state of MDNR's certification program by the FCIT, and a meeting by a sub-group of the FCIT to address any identified inconsistencies or requirements. The FCIT will make a presentation of the MDNR's certification program at the opening meeting of the certification audit.

Attachments:

1. NSF gap analysis and comprehensive scoping assessment – December 16, 2004
2. SCS – A preliminary assessment of the management of Michigan Department of Natural Resources State forest program relative to the standards of third party certification under the Forest Stewardship Council. – December 16, 2004.
3. Michigan Department of Natural Resources Forest Certification Initiative – Action plan to address major non-conformances with the standards of the Forest Stewardship Council and Sustainable Forestry Initiative – Feb 18, 2005.
4. Forest Certification Implementation Team and committees
5. Michigan Department of Natural Resources Forest Certification Work Instructions August 19, 2005.
6. Internal Audit summaries Summer 2005.
7. An assessment of MDNR work instructions against the FSC and SFI standards – August 30, 2005.
8. NSF -Readiness review report and tentative audit plan – August 16, 2005